(b) whether State Government of Karnataka has sought I.T. exemption on temples and other religious institutions administered by its Endowment Department; and

(c) if so, the details in this regard and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The exemption to the public religious institutions/societies/trusts is granted as per the provisions contained in section 11 to 13 and sec. 10(23C)(v) of the Income-tax Act, 1961. The religious institutions has to file an applicaton in Form No. 10A to get the benefit of exemption u/s. 11 to 13 and application in Form No. 56, for being notified u/s. 10(23C)(v) of the Act. Only after satisfying the requirements of the respective sections, the religious institution/society/trust is registered u/s. 12A or notified u/s. 10(23C)(v) respectively so as to claim the income Tax exemption.

(b) The State Government of Karnataka had requested the Ministry of amend section 10(23BBA) of the I.T. Act, 1961 so as to exempt the income of temples coming under the purview of its Endowment Department.

(c) Amendment in section 10(23BBA) is not needed since under the existing provisions, temples and religious institutions can claim exemption from income-tax either under sections 11 to 13 or u/s. 10(23C)(v) of the Act. However, the matter is under re-consideration.

Problems Faced by farmers in Getting loans

1981. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that farmers are facing lot of problems in getting sanctioned from Banks;

(b) if so, the reasons therefore and the steps taken by the Government in this regard;

(c) the number of applications fom farmers for grant of loan pending with Nationalised Banks, State-wise, Bank-wise; and

(d) the action taken by the Banks to clear the pending applications?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The credit disbursement to farmers by Commercial Banks, Regional Rural Banks (RRBs) and Co-operative Banks is steadily increasing. The ground Level low of Credit to agricultue and allied activities from the Banks increased from Rs. 52827 crores in 2000-01 to Rs. 86981 crores 2003-04. However, there is still potential to further enhance the credit flow to agriculture. The Government has made an announcement on 18th June, 2004 to double the eflow of credit to agriculture in next three years. The announcement also envisages relief measures to farmers to make them eligible for fresh loans. Besides, several measues have been taken by RBI/NABARD to increase the flow of credit. These measures include:—

(i) Introduction of Kisan Credit Card (KCC) Scheme to provide timely and hassle free credit to farmers;

(ii) Farm loan upto Rs. 50,000/- are collateral and margin free;

(iii) Simplified loan documentation;

(iv) Promotion of Self Help Group (SHG)-Bank Linkage Programme;

(v) Introduction of composite cash credit limit to agriculturists;

(vi) Financing of oral lessees through SHG and Joint Liability Group approaches;

(vii) Dispensing with No Dues Certificate;

(viii) Modification of NPA norms for agriculture lending; and

(ix) Removal of Restrictive Provisions of the Service Area Approach;

(c) and (d) the data generating system of Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development Bank (NABARD) and India Bank's Association (IBA) do not provide the information in the manner asked for. However, RBI has issued instructions to Banks that under priority sector including agriculture sector, all loan applications upto a credit limit of Rs. 25,000/- should be disposed off within a fortnight and those for over Rs. 25,000/- within 8 to 9 weeks.